

STATE PILT

It is the intent of the Montana Association of Counties to seek legislation to authorize the state to reimburse counties for lost property taxes as a result to the state's acquisition of real property.

WHEREAS, prior to 2001 there existed a state Payment in Lieu of Taxes (PILT) that paid counties when over 6% of the land in a county was owned by the state ; and

WHEREAS, the payment was subject to legislative appropriation and was generally less than 50% of the calculated amount; and

WHEREAS, HB 124 in 2001 aggregated many county revenues into a single state payment known as the Entitlement Share; and

WHEREAS, the state PILT payment was included in this payment and was decoupled from future acquisitions of real property by the state; and,

WHEREAS, the state cannot divert school trust funds to compensate counties for lost revenue due to state acquisition of real property; and,

WHEREAS, in 1999 the Montana Legislature created "Land Banking" whereby the state may sell primarily isolated school trust lands and set the proceeds aside to purchase other lands on behalf of the school trusts; and,

WHEREAS, while the sale of several isolated tracts has little effect on the tax base of a jurisdiction, the acquisition of a larger parcel can have a measurable negative impact upon county revenues.

NOW, THEREFORE, BE IT RESOLVED, the Montana Association of Counties seek legislation that would require the state to annually pay an amount equivalent to the lost property tax that would have been generated by the parcel if it were still in private ownership.

SPONSOR: Districts 4 & 5

RECOMMENDATION: Do Pass

PRIORITY: High

REFERRED TO: Public Lands Committee
Budget & Finance Committee

ADOPTED: Annual Conference, Hamilton, MT September 24, 2008